directors of Brunner, Morid and Company, when they lately capitalised part of their reserves. The company, they stated, has for many years paid a dividend on its Ordinary shares of 27! per cent., and " the directors feel that there is a widespread impression that this is the rate of profit earned on the total of the capital invested, and consequently that the company is making an unfair profit out of its customers and the labour it employs. ^ This is by no means the case/' It is a lamentable proof of the backward state of the economic education of this country that it should be necessary for well-financed and prosperous concerns to take steps to make it quite clear to the public that they are not earning more than they appear to be. In a well-educated community it would be perceived at once that it is the well-financed and prosperous companies which improve production in the interests of their share-holders, their workmen, and the public: that the price which the public pays for a commodity is ultimately the price at which the worst financed and worst managed companies can just manage to keep alive; that the higher profits earned by the better companies are not wrung out of the pockets of the community, or their workmen, but are the result of good management and good finance; and that the more the good companies are encouraged to go ahead and drive the bad ones out of existence,

the better will the community be served, and the better will be the chance of the workmen to get good wages. These platitudes are* of course, only true in a state of free competition. If there is anything like